

City of McLouth

Financial Statement

For the year ended December 31, 2015

ATC Accounting

City of McLouth, Kansas
Financial Statement
December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council
City of McLouth
McLouth, Kansas 66054

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McLouth, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McLouth, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McLouth, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McLouth, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2015 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2015 basic financial statement, however are required to be presented under the provision of the Kansas Municipal audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statement. The 2015 information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2014 basic financial statement upon which we rendered as unqualified opinion dated June 30, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

ATC Accounting

ATC Accounting

June 15, 2016

City of McLouth, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL	\$ 116,869	\$ 414,072	\$ 405,739	\$ 125,202	\$ 6,578	\$ 131,780
SPECIAL PURPOSE FUNDS:						
Law Enforcement	12,268	11,379	3,959	19,688	-	19,688
Fire Equipment	21,235	11,193	4,959	27,469	-	27,469
Library	-	23,109	21,900	1,209	-	1,209
Special Highway	-	22,485	22,240	245	-	245
BOND AND INTEREST FUND:						
Bond and Interest	5,609	13,648	10,501	8,756	-	8,756
CAPITAL PROJECT FUNDS:						
Capital Improvement	144,584	30,000	24,990	149,594	-	149,594
Equipment Reserve	41,914	10,000	-	51,914	-	51,914
BUSINESS FUNDS:						
Water Utility	167,372	245,010	200,783	211,599	6,353	217,952
Sewer Utility	203,832	173,412	210,746	166,498	917	167,415
Gas Utility	118,938	238,905	180,009	177,834	712	178,546
AGENCY FUNDS:						
Utility Deposits	34,400	11,711	4,175	41,936	-	41,936
Total Reporting Entity	\$ 867,021	\$ 1,204,924	\$ 1,090,001	\$ 981,944	\$ 14,560	\$ 996,504

Checking Accounts	\$ 496,863
Money Market and Savings Accounts	255,177
Certificate of Deposits	244,464
Total Reporting Entity	<u>\$ 996,504</u>

The notes to the financial statement are an integral part of this statement

City of McLouth, Kansas
Notes to the Financial Statements
December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of McLouth is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of McLouth (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at their administrative offices.

(b) Regulatory Basis Fund Types

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1st
- 2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The City is not aware of any non-compliance with Kansas Statutes.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements;

and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2015.

At December 31, 2015, the City's carrying amount of deposits was \$996,504 and the bank balance was \$1,033,885. The bank balance was held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by federal depository insurance and the remaining \$783,885 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. LONG-TERM DEBT

Changes in long-term liabilities for the City of McLouth, Kansas for the year ended December 31, 2015 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds: 2005 Issue	3.75% to 5.00%	6/1/2005	\$ 100,000	10/1/2015	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 500
KDHE Loans:									
Water Improvements	4.31%	11/18/1997	1,132,133	02/1/2019	293,138	-	60,370	232,768	11,991
Sewer Improvements	3.57%	04/05/2000	1,702,238	09/1/2021	648,503	-	83,104	565,399	22,416
Total Contractual Indebtedness					\$ 951,641	\$ -	\$ 153,474	\$ 798,167	\$ 34,907

Current maturities of long-term debt and interest through maturity are as follows:

	2016	2017	2018	2019	2020	2021-2025	Total
Principal							
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
KDHE Loan – Water	62,999	65,744	68,608	35,417	-	-	232,768
KDHE Loan – Sewer	86,098	89,199	92,412	95,740	99,189	102,761	565,399
Total Principal	149,097	154,943	161,020	131,157	99,189	102,761	798,167
Interest:							
General Obligation Bonds	-	-	-	-	-	-	-
KDHE Loan – Water	9,361	6,616	3,752	763	-	-	20,492
KDHE Loan – Sewer	19,423	16,322	13,109	9,781	6,332	2,759	67,726
Total Interest	28,784	22,938	16,861	10,544	6,332	2,759	88,218
Total Principal and Interest	\$ 177,881	\$ 177,881	\$ 177,881	\$ 141,701	\$ 105,521	\$ 105,520	\$ 886,385

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3 member contribution rate was established at 6% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 10.48%, for the fiscal year ended December 31, 2015. Contributions to the pension plan from the city were \$22,456 for the year ended December 31, 2015

Net Pension Liability. At December 31, 2015, the city's proportionate share of the collective net pension liability reported by KPERS was \$174,504. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The city's proportion of the net pension liability was based on the ration of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Other Employee Benefits

Vacation – A full-time employee may accrue vacation of 6.67 hours per month with 0 to 5 years of service, 8 hours per month with 6 to 10 years of service, 10 hours per month with 11 to 15 years of service and 12 hours per month with more than 15 years of service. The maximum amount of vacation available is three weeks per year. Vacation is vested, and terminating employees will be paid for vacation not taken. Effective September 1, 2014 employees cannot carry over more than 40 hours of accrued vacation. Employees with over 40 hours accrued vacation submitted plans to reduce the number of days prior to 2016. If accrued vacation could not be reduced below 40 hours a one-time payment was made in December 2015 to the employee. The cost of accumulated vacation leave will be recorded as an expenditure at the time the vacation is utilized, as normal personal service expenditure.

The cost of accumulated vacation leave is \$4,333 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - Full-time employees may accrue sick leave at the rate of 1 day per month with a maximum accumulation of 90 days. Upon termination or resignation, no payment for unused sick leave will be made. The cost of accumulated sick pay has not been estimated or accrued by the City as of December 31, 2015 since no liability to pay upon termination.

7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2014 to 2015 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

8. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
Gas	Equipment Reserve	K.S.A. 12-1,118	10,000
Gas	Capital Improvements	K.S.A. 12-1,118	10,000
Water	Capital Improvements	K.S.A. 12-1,118	20,000

9. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

CITY OF MCLOUTH, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

City of McLouth, Kansas
Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2015

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 437,457	\$ -	\$ 437,457	\$ 405,739	\$ (31,718)
SPECIAL PURPOSE FUNDS:					
Law Enforcement	24,089	-	24,089	3,959	(20,130)
Fire Equipment	21,625	-	21,625	4,959	(16,666)
Library	21,900	-	21,900	21,900	-
Special Highway	22,240	-	22,240	22,240	-
BOND AND INTEREST FUND:					
Bond and Interest	14,500	-	14,500	10,501	(3,999)
BUSINESS FUNDS:					
Water Utility	343,079	-	343,079	200,783	(142,296)
Sewer Utility	432,287	-	432,287	210,746	(221,541)
Gas Utility	288,436	-	288,436	180,009	(108,427)

City of McLouth, Kansas
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		Variance Over (Under)
	Actual	Actual	Budget	
Receipts:				
Ad Valorem Property	\$ 199,802	\$ 209,813	\$ 220,647	\$ (10,834)
Delinquent	10,891	19,414	-	19,414
Motor Vehicle	26,366	27,315	24,344	2,971
Recreational Vehicle	321	279	282	(3)
16/20M Truck	133	89	316	(227)
Commercial Vehicle Tax	88	239	-	239
Watercraft Tax	-	309	-	309
Alcohol	-	-	741	(741)
Franchise Fees	39,827	38,619	34,500	4,119
Sanitation	54,130	43,931	53,762	(9,831)
Sales Tax	46,868	46,144	40,000	6,144
Licenses, Fees and Permits	2,073	1,953	1,050	903
Municipal Court	18,880	15,218	15,000	218
Interest on Idle Funds	1,327	2,158	800	1,358
Miscellaneous	3,567	8,591	600	7,991
Total Receipts	404,273	414,072	\$ 392,042	\$ 22,030

City of McLouth, Kansas
General Fund (Continued)
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		
	Actual	Actual	Budget	Variance Over (Under)
Expenditures:				
Salaries and Wages	43,631	66,743	\$ 55,900	\$ 10,843
Employee Benefits	25,771	16,039	9,450	6,589
Police Salaries and Wages	79,015	94,888	105,100	(10,212)
Police Employee Benefits	12,614	29,701	23,500	6,201
General Government	35,168	21,546	28,707	(7,161)
Legal/Contract/Administration	9,118	20,358	12,000	8,358
Sanitation	54,183	45,719	55,000	(9,281)
Streets	30,850	53,447	49,000	4,447
Police Operations and Maintenance	29,186	21,982	28,650	(6,668)
Fire Operations and Maintenance	4,144	5,260	7,900	(2,640)
Court	15,129	13,121	27,250	(14,129)
Insurance	-	14,499	-	14,499
Training, Testing and Fees	-	522	-	522
Miscellaneous	-	714	-	714
Capital Outlay	-	1,200	25,000	(23,800)
Transfers	30,000	-	10,000	(10,000)
Total Expenditures	368,809	405,739	\$ 437,457	\$ (31,718)
Receipts Over (Under) Expenditures	35,464	8,333		
Unencumbered Cash, January 1	81,405	116,869		
Unencumbered Cash, December 31	\$ 116,869	\$ 125,202		

City of McLouth, Kansas
 Law Enforcement Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	2014	2015		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 8,637	\$ 9,137	\$ 9,609	\$ (472)
Delinquent	459	1,093	-	1,093
Motor Vehicle	1,121	904	1,052	(148)
Recreational Vehicle	13	12	12	-
16/20M Truck	6	4	14	(10)
Commercial Truck Tax	4	10	-	10
Watercraft Tax	-	13	-	13
Miscellaneous	-	206	-	206
Total Receipts	10,240	11,379	\$ 10,687	\$ 692
Expenditures:				
Commodities	3,044	3,959	\$ 2,500	\$ 1,459
Capital Outlay	13,000	-	21,589	(21,589)
Total Expenditures	16,044	3,959	\$ 24,089	\$ (20,130)
Receipts Over (Under) Expenditures	(5,804)	7,420		
Unencumbered Cash, January 1	18,072	12,268		
Unencumbered Cash, December 31	\$ 12,268	\$ 19,688		

City of McLouth, Kansas
 Fire Equipment Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	2014	2015		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 8,637	\$ 9,139	\$ 9,611	\$ (472)
Delinquent	471	840	-	840
Motor Vehicle	1,121	1,175	1,052	123
Recreational Vehicle	13	12	12	-
16/20M Truck	6	4	14	(10)
Commercial Truck Tax	4	10	-	10
Watercraft Tax	-	13	-	13
Total Receipts	10,252	11,193	\$ 10,689	\$ 504
Expenditures:				
Public Safety	2,184	402	\$ 4,500	\$ (4,098)
Capital Outlay	-	4,557	17,125	(12,568)
Total Expenditures	2,184	4,959	\$ 21,625	\$ (16,666)
Receipts Over (Under) Expenditures	8,068	6,234		
Unencumbered Cash, January 1	13,167	21,235		
Unencumbered Cash, December 31	\$ 21,235	\$ 27,469		

City of McLouth, Kansas
Library Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Ad Valorem Property	\$ 18,718	\$ 18,602	\$ 19,563	\$ (961)
Delinquent	1,065	1,855	-	1,855
Motor Vehicle	2,544	2,566	2,281	285
Recreational Vehicle	31	26	26	-
16/20M Truck	14	9	30	(21)
Commercial Truck Tax	8	22	-	22
Watercraft Tax	-	29	-	29
Total Receipts	22,380	23,109	\$ 21,900	\$ 1,209
Expenditures:				
Recreation and Culture	22,380	21,900	\$ 21,900	\$ -
Receipts Over (Under) Expenditures	-	1,209		
Unencumbered Cash, January 1	-	-		
Unencumbered Cash, December 31	\$ -	\$ 1,209		

City of McLouth, Kansas
Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		Variance
	Actual	Actual	Budget	Over (Under)
Receipts:				
Special Highway Tax	\$ 22,298	\$ 22,485	\$ 22,240	\$ 245
Miscellaneous	-	-	-	-
Total Receipts	22,298	22,485	\$ 22,240	\$ 245
Expenditures:				
Street Repair and Maintenance	22,298	22,240	\$ 22,240	\$ -
Receipts Over (Under) Expenditures	-	245		
Unencumbered Cash, January 1	-	-		
Unencumbered Cash, December 31	\$ -	\$ 245		

City of McLouth, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		
		Actual	Budget	Variance Over (Under)
Receipts:				
Ad Valorem Property	\$ 11,556	\$ 10,937	\$ 11,502	\$ (565)
Delinquent	618	1,089	-	1,089
Motor Vehicle	1,493	1,569	1,408	161
Recreational Vehicle	18	16	16	-
16/20M Truck	8	5	18	(13)
Commercial Truck Tax	5	14	-	14
Watercraft Tax	-	18	-	18
Total Receipts	13,698	13,648	\$ 12,944	\$ 704
Expenditures:				
Debt Service	10,991	10,501	\$ 10,500	\$ 1
Cash Basis Reserve	-	-	4,000	(4,000)
Total Expenditures	10,991	10,501	\$ 14,500	\$ (3,999)
Receipts Over (Under) Expenditures	2,707	3,147		
Unencumbered Cash, January 1	2,902	5,609		
Unencumbered Cash, December 31	\$ 5,609	\$ 8,756		

City of McLouth, Kansas
Non-Budgeted Funds
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2015

	Capital Improvement	Equipment Reserve
Receipts:		
Transfer – Water	\$ 20,000	\$ -
Transfer - Gas	10,000	10,000
	<hr/>	<hr/>
Total Receipts	30,000	10,000
	<hr/>	<hr/>
Expenditures:		
Capital Outlay	24,990	-
	<hr/>	<hr/>
Total Expenditures	24,990	-
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	5,010	10,000
Unencumbered Cash, January 1	144,584	41,914
	<hr/>	<hr/>
Unencumbered Cash, December 31	<u>\$ 149,594</u>	<u>\$ 51,914</u>

City of McLouth, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		
		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 241,215	\$ 244,789	\$ 252,800	\$ (8,011)
Interest on Idle Funds	412	221	100	121
Miscellaneous	20	-		
Total Receipts	241,647	245,010	\$ 252,900	\$ (7,890)
Expenditures:				
Salaries and Wages	35,893	33,185	\$ 48,100	\$ (14,915)
Employee Benefits	11,440	10,596	10,000	596
Debt Service	72,360	72,360	72,360	-
Training, Testing and Fees	2,466	2,024	5,724	(3,700)
Operations and Maintenance	36,888	23,118	56,200	(33,082)
Insurance	4,773	4,940	5,000	(60)
Legal and Contract Services	4,216	5,421	2,800	2,621
Water Purchase	37,691	28,472	49,200	(20,728)
Capital Outlay	-	-	73,695	(73,695)
Miscellaneous	314	667	-	667
Transfer – Capital Improvements	5,000	20,000	20,000	-
Total Expenditures	211,041	200,783	\$ 343,079	\$ (142,296)
Receipts Over (Under) Expenditures	30,606	44,227		
Unencumbered Cash, January 1	136,766	167,372		
Unencumbered Cash, December 31	\$ 167,372	\$ 211,599		

City of McLouth, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		
		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 178,899	\$ 172,734	\$ 190,000	\$ (17,266)
Interest on Idle Funds	830	678	500	178
Miscellaneous	-	-	-	-
Total Receipts	179,729	173,412	\$ 190,500	\$ (17,088)
Expenditures:				
Salaries and Wages	32,888	35,053	\$ 45,800	\$ (10,747)
Employee Benefits	10,945	11,264	9,400	1,864
Training, Testing and Fees	505	1,352	2,200	(848)
Operations and Maintenance	23,938	44,276	24,200	20,076
Insurance	4,773	2,251	5,400	(3,149)
Legal and Contract Services	10,166	10,948	6,000	4,948
Capital Outlay	-	-	213,687	(213,687)
Miscellaneous	98	81	-	81
Debt Service	105,521	105,521	105,600	(79)
Transfer – Capital Improvements	20,000	-	20,000	(20,000)
Transfer – Equipment Reserve	5,000	-	-	-
Total Expenditures	213,834	210,746	\$ 432,287	\$ (221,541)
Receipts Over (Under) Expenditures	(34,105)	(37,334)		
Unencumbered Cash, January 1	237,937	203,832		
Unencumbered Cash, December 31	\$ 203,832	\$ 166,498		

City of McLouth, Kansas
Gas Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 322,563	\$ 232,094	\$ 225,000	\$ 7,094
Interest on Idle Funds	412	222	200	22
Reimbursements	18,820	6,589	-	6,589
Miscellaneous	-	-	-	-
Total Receipts	341,795	238,905	\$ 225,200	\$ 13,705
Expenditures:				
Salaries and Wages	46,425	45,512	\$ 60,380	\$ (14,868)
Employee Benefits	13,355	13,074	9,650	3,424
Training, Testing and Fees	73	690	1,500	(810)
Operations and Maintenance	16,261	9,029	26,300	(17,271)
Insurance	5,285	3,448	5,400	(1,952)
Legal and Contract Services	5,011	2,854	5,500	(2,646)
Gas Purchase	235,347	84,252	150,000	(65,748)
Capital Outlay	-	-	9,706	(9,706)
Miscellaneous	228	1,150	-	1,150
Transfer – Capital Improvements	-	20,000	20,000	-
Total Expenditures	321,985	180,009	\$ 288,436	\$ (108,427)
Receipts Over (Under) Expenditures	19,810	58,896		
Unencumbered Cash, January 1	99,128	118,938		
Unencumbered Cash, December 31	\$ 118,938	\$ 177,834		

City of McLouth, Kansas
Utility Deposit Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2015

	2014	2015
Receipts:		
Water Deposits	\$ 3,675	\$ 2,875
Sewer Deposits	3,475	2,925
Gas Deposits	6,600	5,911
	<hr/>	<hr/>
Total Receipts	13,750	11,711
	<hr/>	<hr/>
Expenditures:		
Water Deposit Refund	2,975	1,100
Sewer Deposit Refund	2,975	1,025
Gas Deposit Refund	5,950	2,050
	<hr/>	<hr/>
Total Expenditures	11,900	4,175
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	1,850	7,536
Unencumbered Cash, January 1	32,550	34,400
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 34,400	\$ 41,936
	<hr/>	<hr/>